(c) The decision in question has been taken after a careful consideration of all relevant aspects. The Govt., however, is maintaining a close watch on the situation.

Income-tax evasion by photographic film industry

882. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the income-tax authorities have recently unearthed a multi-crore rupee racket of tax evasion and forgery in photographic films in the Capital;

(b) if so, what are the details of the raids conducted on the premises of an agent of a public sector manufacturing company of photographic films and one of his distributors; and

(c) what further action Government have taken/propose to take against the persons involved in the racket?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (c) Searches under Section 132 of the Income-tax Act, 1961 were conducted on 20.9.1990 on the business and residential premises of a stockist of a public sector company manufacturing photographic films In the course of the search, besides incriminating documents showing sale of photographic films worth several crores of rupees through an intermediary to fictitious dealers, jewellery of value of Rs. 7.46 lakhs was seized and in the statement recorded under section 132(4) of the Income-tax Act, 1961 concealed income of Rs 5 95 lakhs was disclosed. Proceedings under the Income-tax Act have been taken.

Smuggling of foreign currency

883 SHRI HARVENDRA SINGH HANSPAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Customs authorities at the Indira Gandhi International Airport have nabbed an employee of a reputed foreign airlines who was allegedly trying to pass on foreign currency worth over Rs. 17 lakhs into the aircraft, as reported in the Hindustan Times dated 1-12-90;

(b) whether the connivance of any Indian officials has also been established; and

(c) if so, what action Government propose to take in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (c) Yes, Sir. The officers of Customs posted at Indira Gandhi International Airport, New Delhi kept a watch on the movements of the ground staff attending to Thai Airways flight No, TG-315 which had arrived at 18.45 hours on 29th November, 1990 and intercepted and searched one Maruti Gypsy of Thai Airways (Maintenance staff). The search resulted in the recovery and seizure of the packet containing US $ 1,00,005 comprising of currency, travellers cheques and cheques. The Maruti Gypsy worth Rs. 1,10,000/- approximately was also seized One person named Virendar Kumar Grover of the Maintenance staff of Thai Airways has been arrested in this connection. However, no official of the Government has been found to be involved in the case.

Inability of the Indian Banks and Financial Institutions to borrow in the International Market

884. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Indian banks and financial institutions are not able to borrow in the international market;

(b) if so, whether Government allowed the banks and institutions to raise money in bankers acceptance at a rate of upto 50 points basis over the London Inter-Bank offered rate; and